

FISCAL IMPACT STATEMENT ON BILL NO. **H. 3355**

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| TO: | The Honorable Billy Witherspoon, Chairman, House Agriculture, Natural Resource & Environmental Affairs Committee | | |
| FROM: | Office of State Budget, Budget and Control Board | | |
| ANALYSTS: | R.J. Stein | | |
| DATE: | February 17, 2005 | SBD: | 2005232 |

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| AUTHOR: | Representative Duncan | PRIMARY CODE CITE: | 39-34-10 |
| SUBJECT: | SC Dairy Stabilization Act | | |

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

House Bill 3355 amends Title 39 of the Code of Laws of South Carolina, 1976, by adding Chapter 34 which establishes a 13 member Milk Board for the purpose of establishing a fair market breakeven price for producers and to exercise general supervision over the state milk industry. The Board members may not receive per diem but may receive mileage and subsistence. The Board is to meet quarterly or upon the call of the Chairman. The Bill also provides for an Executive Director who must be compensated and who may hire staff. The Bill requires all milk buyers to be licensed by the Milk Board and the Bill authorizes the Board to assess fees sufficient to cover all operating expenses.

EXPLANATION OF IMPACT:

Department of Agriculture

The Department indicates that there would be no fiscal impact on the General Fund of the State. Section 39-34-170 (A) authorizes the Milk Board to place an assessment on milk produced within the State to cover the expenses of the Board. These assessments would be used to cover the cost of personal services, fringe benefits and operating expenses of the Board which are estimated at approximately \$100,000 annually if the Board employs an Executive Director only with no additional staff. However, Board expenditures may not exceed the amount of revenue generated by an assessment of not more than one cent per gallon of milk produced in this State.

Clemson-Public Service Activities

Clemson-PSA reports that the cost of providing technical services would be minimal and could be absorbed by the agency. The bill directs the Clemson Agricultural Extension Service and the Clemson Agricultural Experiment Station to provide technical and other services to the Milk Board using existing personnel and resources and without additional compensation.


LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

The Board of Economic Advisors is the appropriate entity to address any revenue impact associated with this Bill. However, section 39-34-170 (B) states "The exact amount of each monthly assessment must be determined by the milk board as necessary to cover its expenses".

Approved by:



Don Addy
Assistant Director, Office of State Budget